

consumption—that is, lowering the programs that are of marginal benefit or getting rid of them, and slowly downsizing the Government, although we’ve been in a rapid downsize period—and we keep investing in America, then the activity in the private sector with growth will more than overcome the shrinking of the public sector. But we have to do it in a disciplined way.

That’s another thing that bothers me about this health care business. I have been talking about the need to reduce health care inflation since the day I became President. I’ve been talking about the need to give more options for managed care since the day I became President and since long before I became President. But you cannot just say, “Well, we’re going to take \$450 billion out of it, even though we don’t know what’s going to happen.” It is too much. It is too extreme. It is not necessary.

So the thing for us to do is to ultimately—what my goal is, to ultimately come out with

a budget which satisfies their stated principles, which I have embraced, but which honors my stated principles, which they have yet to embrace. The stated principles that I’ve put out are more important for standing up for what’s right for America, number one, and more important for growing our economy, number two, than what’s in their budget.

And so we’re going to keep working on this, but I am not going to bend on my principles. I cannot, and it’s not good for America. This program—now we have 3 years of evidence. It’s not only morally right, it is working for the country, and we need to keep going in this direction.

Thank you.

NOTE: The exchange began at 11 a.m. at the West Wing Portico at the White House. A tape was not available for verification of the content of this exchange.

## Remarks in a Telephone Conversation With Democratic Congressional Leaders

October 27, 1995

*Senator Thomas A. Daschle.* Hello, Mr. President.

*Representative Richard A. Gephardt.* Hello, Mr. President.

*The President.* How are you?

*Senator Daschle.* Not good.

*The President.* Tell me what’s going on.

*Senator Daschle.* Well, we’re still working on our reconciliation bill. Democrats are offering a series of amendments that deal directly with each of the concerns that we have. But I must say it doesn’t appear that there is any prospect of improving this bill. This bill is just as mean and as extreme as it was when it was introduced. It ends Medicare, it rewards the rich, and ravages the rest. And so I must tell you, I am very disappointed to report that every Democrat here in the Senate tonight at some point will be voting against this piece of legislation.

*The President.* Tell them not to worry about it; I’m going to veto it anyway.

*Senator Daschle.* Well, I applaud you for that because I must tell you it is a terrible piece

of legislation. It’s the wrong plan for the wrong reason, done the wrong way to help the wrong people. And I——

*The President.* Otherwise you don’t feel strongly about it. [Laughter] You know, this is one of those moments in our history when I’m grateful for the wisdom of the Founding Fathers. I mean, the Congress gets to propose, but the President has to sign or veto. And the Constitution gave me that authority, and one of the reasons for the veto is to prevent excess. And this is—we are willing to work with them in good faith to balance this budget. We believe in that. You saw what—and America saw earlier this week—what the Democrats did to bring the deficit from 290 billion down to 255, then to 205, then to 164, when we were all working together. And that approach has been rejected. So I will have no alternative but to veto it. It’s excessive, and it’s wrong for all the reasons you said.

I just want to urge you to keep offering your amendments, standing up, make it clear what

you believe in, and tell everybody to just stay positive and just stand up there, stand for what we believe in.

*Senator Daschle.* Mr. President, I've consulted with virtually every member of our caucus, and they have all indicated that if you veto it, we will have the votes and then some to sustain that veto.

*The President.* Dick?

*Representative Gephardt.* Mr. President, we have the very same situation in the House. We had a very united Democratic Party. As you know, yesterday, we had 203 votes against their plan. We even picked up 10 Republicans who voted against the plan.

*The President.* Brave souls.

*Representative Gephardt.* So the phalanx is beginning to splinter a little bit. But they will stand behind you and sustain this veto. And I must tell you that I really believe the American people will be behind you as well.

I was at Cambridge Hospital this morning with Joe Kennedy, and Hillary had been there I think about a year ago. This is a hospital, as you know, that has about 60 percent Medicare and Medicaid. It's a public hospital. And they really believe that if cuts of this magnitude go through, they'll have to close the hospital. And I met with the doctors and nurses and the staff there and told them that I believed you would veto this legislation if it got through and that we would stand behind that veto. And they applauded and applauded and applauded because it means whether or not there's going to be health care in that community and communities all over the country.

So we're behind you, and we're going to stay there. And we appreciate what you're doing.

*Senator Daschle.* Mr. President, I would say not only are we willing to support you in your position on vetoing this legislation, but I think it's also fair to say that every Democrat is prepared to go to work the day after you veto that bill to work in a constructive way to find alternatives and to work with Republicans to find some positive conclusion to this whole affair. It's important we learn to govern, that we work with Republicans in doing that. But obviously, they have concluded, as we have, that this veto is the only way that we're going to get it done. And so we look forward to working with you.

*The President.* Well, we want to work with them, but we've got to stick with our principles,

you know. They talk about their principles of balancing the budget and securing Medicare and having some kind of tax cut. And, you know, I accept that. I think we ought to balance the budget, secure Medicare, and I'm not opposed to a tax cut if it's properly targeted and emphasizes childrearing and education for middle class people.

But I believe that the more important principles are the ones that have been rejected by them that we had to stand up for. I mean, here we are on the verge of the 21st century; no major American company would cut education and training and cut technology and cut research, but they do. We can't tolerate that.

Nobody would—with any sense of fairness—would raise taxes on working families with children with incomes of \$27,000 a year or less. That will discourage people moving from welfare to work. But that's what they do. Nobody who understands what the world is going to be like 10 years from now would have the kind of cuts and crippling provisions related to the environment that they do.

And of course we've been treated to a real education on Medicare and Medicaid which is the most grievous thing of all. I mean, we have obligations to our parents, to the poor children of this country, to the disabled people, and also to the hospitals and to the doctors and the others that are participating in these programs. It's just not right.

And so we have our principles to stand for, and we'll stand for them. And I'm glad you're going to stand with me. And eventually America will be better for this. If we stand up for America and for the future and for the things we believe in, it's going to be all right.

But as I said in this phone conversation, I'm probably more grateful today for the wisdom of the Founding Fathers than I have ever been in my life. They knew what they were doing, and we're going to use the Constitution they gave us to stand up for what's right.

*Senator Daschle.* Well, thank you, Mr. President. We appreciate your leadership and look forward to working with you.

*The President.* Thank you. Thank you, Dick.

*Representative Gephardt.* Thank you, Mr. President. There's a lot of people that are glad you're there and glad you've got the veto pen today, believe me.

*The President.* Well, just be of good cheer. Just go out there and debate these things and

tell them what we believe in, and it will all work out. We'll make it work out for America.

*Representative Gephardt.* Great.

*Senator Daschle.* Thank you.

*The President.* Thanks.

NOTE: The President spoke at 4:23 p.m. from the Oval Office in the White House.

## Statement on Signing the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1996

October 27, 1995

I have signed into law H.R. 1976, the "Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1996."

I urge the Congress to complete action on the remaining regular FY 1996 appropriations bills and to send them to me in acceptable form. Last year, the Congress sent to me—and I signed—all 13 appropriations bills by September 30. Regrettably, this is only the second bill that I have been able to sign for this fiscal year.

This Act provides \$13.4 billion in discretionary budget authority for programs of the Department of Agriculture and the Food and Drug Administration, including the Special Supplemental Feeding Program for Women, Infants, and Children (WIC); food safety programs; and various programs to protect and support rural communities.

The Act also provides a total of \$41.2 billion for the Food Stamp program, the Child Nutrition program, the Commodity Credit Corporation, and other mandatory programs.

In signing this bill, I have made it possible for USDA to promptly send full-year payments of nearly \$1.8 billion for the Conservation Reserve Program. This program compensates farmers for protecting environmentally sensitive cropland.

I am pleased that H.R. 1976 provides the resources necessary to keep the Special Supplemental Nutrition Program for Women, Infants, and Children on the Administration's path to full funding. An estimated 7.5 million women and children will be served, 400,000 more than in FY 1995. This program provides important nutrition benefits and health-related services.

I am also pleased that the Congress continued funding at my requested level for the Child Nutrition program and other important nutrition programs for needy Americans, including the

Commodity Supplemental Food Program, Soup Kitchens, and the Nutrition Program for the Elderly.

Funds included in the bill for the Agricultural Conservation Program will provide Federal cost-share financing to farmers for needed soil and water conservation practices and structures, including water quality improvements.

The bill also includes funds I requested for farm operating and farm ownership loans, which help new farmers get started in agriculture, as well as those farmers who do not qualify for private-sector financing.

In addition, H.R. 1976 omits many of the troublesome provisions contained in earlier versions of the bill that would have compromised the ability of Federal nutrition programs to assist low-income Americans. However, I am concerned about the provisions to reduce food stamp spending in an appropriations bill. This action may lead to proposals for additional food stamp cuts in the reconciliation process. This program, which assists almost 27 million low-income children, elderly, and working family members, continues to be the cornerstone of the Federal nutrition safety net.

The Act permits full funding for the Export Enhancement Program, as I requested. This program assists exports of American agricultural products, which reached an all-time high in FY 1995 of \$53 billion—a trend we would like to continue.

While funding provided by H.R. 1976 is an improvement over funding levels in earlier versions of the bill, I am still disappointed by its reductions from my request for rural development. By contrast the Act includes \$58 million in unrequested funds for earmarked university research facilities. I believe rural Americans would have been better served had these funds instead been channeled into rural development